

The NEW Entrepreneurs

Meet the Ambitious Folks Behind Seven Products Worth Tracking Down

By Michaele Weissman
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It all started because Nick Cho's wife, Suzy, wanted a really good cup of coffee.

"We used to have these fights every Sunday because she wanted to stop at Starbucks on the way to church," he says. In self-defense, he set out to prevent marital discord by learning how to make coffee. Great coffee.

Five years later, Cho has established himself in his home town as the founder and chief executive of Murky Coffee. The four-year-old company has cafes on Capitol Hill and in Arlington that grossed more than \$1 million last year. Dozens of specialty food companies have been launched here in recent years, offering coffee to curry. If they follow national trends, eight out of 10 of them will be out of business in five years, according to George Solomon, director of the George Washington University Center for Entrepreneurial Excellence. But the lure of the food business endures.

Cho, 32, is one of the Washington area's new young food entrepreneurs. A tireless promoter, he hosts a popular coffee podcast and is known as a champion of "specialty roast coffee" -- the industry term for high-quality beans grown on small estates, roasted in small lots and brewed with care. Cho will help anyone -- including potential competitors -- interested in roasting, brewing or selling, in his words, coffee "that's better than customers ever imagined it could be."

Cho says he is not content to do business as usual. For him, the thrill lies in building something that combines his appreciation for "all coffee has to offer" with his conviction that how you treat people -- employees, customers, suppliers, competitors and the farmers who grow coffee beans -- "really, really matters."

And he has company. "People my age don't want to make money by selling unhealthy products that pollute the soil, the air and the social environment," says Adam Borden, 30, founder of Bradmer Foods. He believes his Baltimore-based firm is the first in the nation to specialize in venture capital for food startups. The business school graduate has raised several million dollars to help such businesses get off the ground.

"Our generation has a special connection to food," Borden says. "We'll scrimp in other areas to eat food that is interesting, beautiful and healthy." Many of these same young people, Borden believes, "are disillusioned with traditional professional careers." The markets entered by these fledgling entrepreneurs tend to require relatively little capital -- think mortgaging a house or borrowing from family -- and are clustered in fast-growing niche areas.

The trend, which Borden says began on the West Coast, is exemplified by the seven new food companies profiled here. Selected for their good-tasting products, these businesses are as varied as their founders' backgrounds.

Shimba Hills Coffee

Six years ago, waiting for a traffic light to change, Andrew Agak, then 26, decided to quit his job in accounting and go out on his own. "It took 22 seconds for me to make up my mind," says Agak, who was born in Kenya, where some of the world's best coffee is grown. Soon he was importing coffee beans from East Africa and selling them to specialty roasters in the mid-Atlantic region.

Next week, Agak and partners Lillian Karuri-Magero, 33, a childhood friend from Kenya with a long résumé as a marketing consultant, and Shalin Carter, 32, a barista and customer service specialist, are expected to launch Shimba Hills Coffee on the ground floor of Verizon (formerly MCI) Center. The cafe, named for one of Kenya's national reserves, will feature fine coffees and teas from East Africa and elsewhere, pastries and other nonalcoholic beverages, plus wine and beer. The management of the sports complex has named Shimba Hills its "official" coffee, and the first of four planned Shimba Hills concession stands inside the center will also open at the same time.

The stakes are high for the Shimba Hills owners. "We're mortgaged up to our knickers," says Karuri-Magero, noting that construction and other costs escalated to \$500,000 -- twice what was estimated. To compete with other coffee bars in the area, they say, they are relying on quality and service. While some chains are moving toward fully automated machines to make lattes, cappuccinos and other drinks, Shimba Hills baristas will prepare espresso drinks in the traditional way.

Though Shimba Hills could be seen as a potential competitor, Cho of Murky Coffee has helped Agak and his partners perfect their espresso blends and served as their coffee adviser. "There's plenty of room for everyone," says Cho.

Village Buzz Coffee and Tea

"Nick has been my mentor," says Jennifer Mulchandani. "Thanks to him, I have fallen in love with coffee." The 33-year-old mother of two, a former nonprofit manager, plans to open Village Buzz Coffee and Tea in the Cherrydale area of Arlington County in August.

She wants it to be the region's first coffee bar for parents that is truly kid-friendly. It will have a fully equipped play area and special programming, some geared to kids, some geared to parents. "I have wanted to open my own business for years. I tingled as I wrote my business plan," says Mulchandani.

DeLoache Chocolate

Annapolis residents Joanne and Philip DeLoache left well-paying corporate jobs because they wanted "to invest in ourselves" by building a "creative and fun" business, says Joanne DeLoache. "I wish I'd done this a long time ago." She was 38 when DeLoache Chocolate debuted in 2004; her husband, Philip DeLoache, a 2002 graduate of Ecole Chocolate, a professional school of the chocolate arts in Vancouver, B.C., was 49.

The couple decided on the chocolate business because entry costs were relatively low. They mortgaged their house to raise \$200,000 to lease and fix up a small factory. Philip spent six months developing a small, square truffle. Made of dark French and Belgian chocolate, the truffle has a soft, cognac-flavored center and is decorated with iconic Maryland designs such as crabs and sailboats. For corporate customers, DeLoache can transfer company logos. The couple also produces a drinking chocolate with an intense flavor that is consumed in espresso-sized portions.

Last year they sold nearly everything they made, grossing \$100,000. "Growing is the only way to make money," says Joanne.

DolceZZa Argentine Gelato

When to leave their day job is a question that bedevils many first-time entrepreneurs. After 2 1/2 years in business, gelato maker Robb Duncan, 34, co-proprietor of DolceZZa Argentine Gelato Cafe, will leave his software consulting job this spring.

"To grow, the business needs more from me," says Duncan, who studied gelato making in Buenos Aires with a master ice cream maker. His wife and co-proprietor, Violeta Edelman, 27, will soon graduate from American University, freeing her time, as well, for the gelato shop on Wisconsin Avenue. To keep things going, Duncan and Edelman took in a third partner, Dimas Rodriguez, who began as their ice cream master.

DolceZZa's gelatos and sorbets are made with fresh ingredients, less sugar and half to one-third of the fat of traditional ice creams. Twenty hotels and restaurants, including the Ritz-Carlton, now feature DolceZZa products. The partners have been approached by a developer to open a second retail store in Bethesda in 2007.

But the going has not been easy. Duncan and Edelman say they lost about \$60,000 of their initial investment to a contractor. They were saved by their second contractor -- Duncan calls him "our angel" -- who worked without pay so the shop could open. The couple is still paying off that debt. And when they were about to open -- months later than they had hoped -- they discovered that their Argentine equipment required upgraded electrical lines.

"Until Pepco could convert our service, we had to bring in a generator and run a line to our machines, which cost \$6,000," says Duncan. "We went into this blind, like stepping off a cliff," says Edelman. "But I can't say that we are sorry."

Ultimate Seasonings

Information technology specialist Julie Ndjee, 33, a native of Cameroon, turned her interest in food into Ultimate Seasonings, a business that last year grossed more than \$500,000.

When her daughter, Neilly, was born, "I realized I couldn't spend two or three hours in the kitchen. I needed to find a way to make Cameroonian dishes in 30 minutes or less." Using no preservatives or artificial ingredients, Ndjee began experimenting, making the dense, spicy vegetable-based sauces of her native land and freezing them. Soon she was looking for a manufacturer.

Ndjee and her husband, Albert Ndjee, 35, an American-educated lawyer born in Cameroon, sold their Columbia house and started the business in 2003. They tapped into an enthusiastic market of immigrants and their children, who are interested in what Julie calls "gourmet African food."

Almost immediately, their sauces were picked up by Giant Foods, Kroger, Whole Foods Market and other chains along the East Coast, and they are expanding into Chicago. The couple was forced to find a new manufacturer when their first one could not keep up with demand. Now the couple is expanding their line to include frozen dinners that Julie hopes "will make African food more mainstream." And last year, the family, which now includes 7-year-old adopted daughter Leila, bought a new house in York, Pa.

CurrySimple

Mike Moran, 29, grew up in Bethesda in a house with his mother, grandmother, sister and few frills. Moran was energetic, entrepreneurial and not very interested in school. By the time he was 17, he was more or less managing a restaurant, he says.

During the next 10 years, Moran got to know the food business inside out, working as waiter and bartender in Washington and later in Atlanta, where he lives now. He kept dreaming up ideas for new businesses that somehow never jelled. While working at Surin, one of Atlanta's most successful Thai restaurants, he fell in love with the food and the people. He'd listen as customers complained that it was impossible to make Thai food, especially the curries, at home. Then he met Nimitr Harimtepathip, known as Lim, a Thai national living in Atlanta who is a member of one of Bangkok's best known restaurant families.

Together, the two created CurrySimple, a line that includes curry sauces and other products made in Thailand with fresh, authentic ingredients that are adapted to American tastes. Red, green, yellow and masaman curry sauces have gone into production in Thailand, as well as syrup for making Thai tea and sauce for pad Thai, the popular noodle dish. In December, the Food and Drug Administration approved the sale of the ready-to-heat products, which are sold in sealed packets.

Moran, who owns the American end of the business -- his business partner, Lim, owns the Thai operation -- is doing a slow launch and for now, CurrySimple products are available only on the Internet, where they have started to generate some buzz. "I told my cousins on Christmas Day that I was going to revolutionize Thai food in America," says Moran. "They thought their crazy cousin was sounding off again, until I cooked them up a batch."

Freelance writer Michaela Weissman last wrote for Food about dining at your office desk.